

**Date:** 18<sup>th</sup> February, 2025

To, BSE Limited The General Manager, Department of Corporate Services, P.J. Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 507552	To, National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Symbol: FOODSIN
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Dear Sir/ Madam,

**Sub.: Transcript of the earnings discussion/conference call dated 6<sup>th</sup> February, 2024 to discuss the unaudited financial results for the quarter ended December 31, 2024**

In compliance with regulation 30 read with Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosing herewith the transcript of the conference call held on 6<sup>th</sup> February, 2025 to discuss the unaudited financial results of the Company for the quarter ended 31<sup>st</sup> December, 2024.

You are requested to take note of the same.

Thanking you,

Yours faithfully,

For **FOODS AND INNS LIMITED**

**Ameya Masurkar**  
**Company Secretary & Compliance Officer**

**Foods & Inns Ltd.**

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Foods & Inns

“Foods and Inns Limited  
Q3 FY25 Earnings Conference Call”  
February 06, 2025



Foods & Inns



**MANAGEMENT: MR. MILAN DALAL – MANAGING DIRECTOR – FOODS & INNS LIMITED**  
**MR. MOLOY SAHA – CHIEF EXECUTIVE OFFICER – FOODS & INNS LIMITED**  
**MR. ANAND KRISHNAN – CHIEF FINANCIAL OFFICER – FOODS & INNS LIMITED**

**MANAGEMENT: MS. ANUSHKA CHITNIS – ARIHANT CAPITAL MARKETS LIMITED.**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Foods & Inns Limited Q3 FY '25 Earnings Conference Call, hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Anushka Chitnis from Arihant Capital Markets Limited. Thank you, and over to you, ma'am.

**Anushka Chitnis:** Thank you. On behalf of Arihant Capital, I would like to welcome everyone to the Q3 and 9 Month FY '25 Earnings Conference Call of Foods & Inns Limited. I would like to take this opportunity to welcome the management of Foods & Inns, represented by Mr. Milan Dalal, Managing Director; Mr. Moloy Saha, Chief Executive Officer; and Mr. Anand Krishnan, Chief Financial Officer.

Now without further ado, I will hand the conference call over to Mr. Anand Krishnan, CFO, for the opening remarks. Over to you, sir.

**Anand Krishnan:** Good afternoon, ladies and gentlemen. This is Anand Krishnan, the CFO at Foods & Inns Limited. Thank you for joining us and I extend a very warm welcome to all - Export shipment backlog of Q1 and Q2 was called off which resulted in export tonnage growth. However, the domestic call offs continued to be slow in Q3. The silver lining is that the rapid calls offs we started witnessing in the last week of December, which continued into the first month of Q4 as well.

We are expecting most of the order backlog in the domestic markets to come up to speed by Q4 of FY '25. We have more than doubled our tomato processing capacity. And since December, our new tomato processing plant is running at full capacity utilization. The low inventory holding period of the tomato business is expected to improve our working capital position as a business.

With anticipation of a good summer in 2025, we are expecting to actually see a good growth going forward. Our new pastry line is doing very well. We will start the commercial production of two more lines in this vertical, which will result in doubling of capacity by the end of this month. Our frozen business has been expanding with client additions and incremental business with existing clients.

Our focus on value-added new products is helping us get a foothold into newer clients. The spray drying expanded capacity is now at full utilization since December. Tetra Recart product development, along with product testing with brands as per the requirement is going on, which should help us garner traction in Tetra Recart in FY '26. Only point of note that we would like to highlight is around INR4.2 crores of forex MTM losses impacted our EBITDA margins and the other expenses in this particular quarter.

As I come to the end of my opening remarks, I would like to thank each one of you for your support and your invaluable presence on this call. Now, I request the moderator to open the forum for any questions or suggestions that you all may have. Thank you.

**Operator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Koustubh Shaha from Wallfort PMS. Please go ahead.

**Koustubh Shaha:** I have couple of book keeping questions. Firstly, what was the inventory level as of December end? In September, I think it was around INR600-odd crores. So any idea on the December numbers?

**Anand Krishnan:** Your voice was breaking. Can you just repeat the question?

**Koustubh Shaha:** Sorry. So, I just wanted the inventory number for December end?

**Anand Krishnan:** Around INR600 crores.

**Koustubh Shaha:** INR600 crores?

**Anand Krishnan:** Correct.

**Koustubh Shaha:** Okay. So it does not move significantly from September levels. It continues to be around that level only, correct?

**Anand Krishnan:** Correct. That's right. That's also because we have built up inventories in the tomato business, right. As in our newer capacity in tomato is fully running at capacity since December. So, we have added to that and some bit of guava has also been added.

**Koustubh Shaha:** Okay. So, can you help us with the split of what would be tomato and what would be mango in this out of the INR600 crores?

**Anand Krishnan:** I don't think we'll be able to give you that breakup right away.

**Koustubh Shaha:** Okay. Fair enough. Not an issue. Second question was that on this MTM loss, can you just explain a bit in detail as to why this loss was in this quarter specifically?

**Anand Krishnan:** Your line is actually breaking in between. I don't know whether it's a problem at our end or yours. Maybe the moderator can confirm and let us know.

**Moderator:** Mr. Koustubh, I would request you to please use your handset.

**Koustubh Shaha:** Actually, I'm using the handset itself. Am I clear now?

**Moderator:** I would request to be a little louder.

**Koustubh Shaha:** Yes. So, I just wanted to understand what was this MTM loss? Any color on that? And how do we kind of avoid this because it actually eats up a significant portion of our profits? So, just wanted to understand that?

**Anand Krishnan:** Koustubh, it's MTM loss. So basically, whatever was the closing rate as of December based on that, you have to account it as per accounting standard...

**Moderator:** Sorry to interrupt, sir, your line was not very clear. I would request you to please repeat.

**Koustubh Shaha:** So obviously, it was regarding the MTM loss and you were explaining regarding the accounting treatment of IndAS. I think that was the answer from your side, correct?

**Anand Krishnan:** Correct. So basically, it's a notional loss that is there. So we had our forward positions, which were actually booked, which were against the confirmed orders that we actually have. And as of December, whatever was the rupee depreciation over and above the hedged rate is what the MTM loss is. But having said that, it's notional in nature. We have anyway realized -- I mean, we'll realize whatever contracts that we have at that particular hedged rate as such.

**Koustubh Shaha:** Okay. Fair enough. Got it. And lastly, one more thing. So obviously, our guidance for FY '25 was almost kind of flat as compared to FY '24, so which means its around about INR350 crores of top line for the Q4. So, are we confident of that achieving that top line or in tonnage, comes around about 42,000 odd tons?

**Anand Krishnan:** Yes.

**Koustubh Shaha:** Okay. And lastly, if I may just squeeze in one last question. If I calculate the realization per tons for this quarter, it comes around about 128,000-odd. Is that figure correct?

**Anand Krishnan:** So, you have actually done a simple math, but it's complicated.

**Koustubh Shaha:** Absolutely.

**Anand Krishnan:** So I mean, I'll let you do that math. With respect to the public numbers that said, you would be best suited to do that math.

**Koustubh Shaha:** Okay. Because why I'm asking this question because if I do the same math for all other quarters or to go back in the history, this is the highest. So, anything specific that you would like to highlight as to why it would be a higher number?

**Moloy Saha:** It is basically a lot of things -- sorry, Moloy here. A few things structured for any sales. This is basically what is the terms of the sales. Sometimes we sell ex-factory, some contracts may be CIF basis, some contracts will be a duty delivered. So you need to go each and every sale to understand -- I mean, to give a proper answer. So it's a mix.

Maybe in this quarter, the export sales, which you are talking about, maybe the duty delivered sales is more component than the CFR component. So naturally, the sales value will be more because you are adding the duty part. So in the other -- I mean, earlier period, it may happen that our sales were CFR sales or FOB sales.

So then the part tons realization will be lower side. So that's why to give a specific answer is difficult, but this is the factors which sometimes carry or mismatch the quarter-to-quarter per metric ton sales realization.

- Anand Krishnan:** Koustubh, just to elaborate further on this, I mean, around INR7.5 crores worth of DDP shipment was actually done. So that would have actually been added to our top line this quarter as well as the other expenses would have actually gone up because whatever we sell under DDP shipment basis in the top line is also a part of our cost.
- Koustubh Shaha:** Understood. This was very helpful. Thank you so much. I will join back the queue. Thank you.
- Moderator:** Thank you. The next question is from the line of Bhargav from Ambit Capital AMC. Please go ahead.
- Bhargav:** Sir, my first question is, in the press release you mentioned that since December the domestic offtake has also started picking up. So, how confident are you that you will sort of see strong growth in the domestic business, meaning you have a good visibility on callout as well till March?
- Moloy Saha:** I believe in -- Moloy here. Yes, we have a good visibility so far. In fact, I'll suggest that if you can read today's newspaper Times of India, where it is in the first page it is mentioned that April hit came in February itself. Though this may not be a good scenario for the crop, specifically vegetables, but for the juice industry or beverage industry.
- This is a good scenario because if there's an early summer, then the consumption in India on the beverage industry for both juice as well as carbonated drink is generally increased. So, this shows that whatever we are getting the projection and that is in line with that. Yes, tomorrow if something happens in different way, I mean, we can't comment. But as of today, we are quite bullish and also most of the customers in the domestic market also given a very positive indicator.
- Bhargav:** Okay. Secondly, sir, on this tomato processing capacity, you mentioned now it's operating at full utilization. So what can be the run rate from this business that we can expect maybe in FY '26? Because '24, you did about INR49-odd crores. I'm not so sure about 45 -- about 9 months FY '25. But if you can share that number and also some guidance on '26?
- Moloy Saha:** So as of today, whatever crop projections are there, if that's going to come, then definitely, we expect that it can be double of last year with the mix of this year and less -- I mean, some of the sales will come in this financial year and balance will come in the next financial year. So, we are expecting to produce till April. If so, then we are expecting more than double revenue from this sector.
- Bhargav:** So it can be INR100-odd crores in '26, you are saying?
- Moloy Saha:** I'm taking -- it's a split between this financial year and next financial year. So, I'm taking a crop scenario. In 2023 crop, whatever revenue we have generated against the tomato, this year, we are expecting to make it double.
- Bhargav:** Okay. Understood. Understood. Is it possible to give some update on what's happening on the Kusum's spice business? Because in the press release, we aren't that optimistic because we've

mentioned we haven't achieved the desired results. So, what is the game plan over here? Because it's been a fairly long time that we've done this acquisition, and it continues to be fairly subscale.

**Moloy Saha:**

Yes, you are correct. We have taken -- I mean, it's almost quite a long time, more than 3 years, 4 years. We are very optimistic, and the purpose of this taking over our acquisition of this facility, we have some objective. And though it's delayed, but we are in the same line. We have started entering in the retail market, though in a slow pace, but in a different geographical area. So, we are strategized in two ways.

One is the geographical expansion. That is something we are looking, which can give more visibility or presence of our product. Initially, it may take some time to get the result. But once we are able to achieve the substantial presence of most of the retail stores, then we can see a good revenue.

And second is in the export market also, we are penetrating because export market now opened up again. So, we are penetrating with the Pesticide residue free products, which is a long journey because you need a contract farming product and all these things. So, we are quite bullish on this sector. And as of now, we are -- I mean, we are in line as per our projection.

**Anand Krishnan:**

So Bhargav, just to add on to this, what we actually meant in the Investor Note is basically with respect to the geographical expansion that we have actually done. In those markets, the brand is not really well known. So, we need to do a lot of activations there, a few campaigns there to actually get the brand noticed. So as of now, without those campaigns, we have not got very positive results is what we meant.

**Bhargav:**

Sure. Any update on the Tetra Recart and the Pectin JV, which you may want to share?

**Anand Krishnan:**

So, Tetra Recart, I mean, it's a story that we have actually told you time and again that it's something that we have actually built for a lot of brands. The testing is still on. Nobody has confirmed orders with us as yet. Since it's a shelf life of up to 2 years without any preservatives.

It's undergoing that process wherein the brands have actually made products, which they want under their brand name and they are keeping it at their end to actually do a QA analysis of how it tastes after 3 months, after 6 months, after a year and so forth as such. So maybe we might be able to give you something on this pretty soon. But as of now, nothing in hand. But with respect to our own brands, we are doing a lot of work.

We have already activated our brand. That's something that you know. We have already onboarded a particular master chef based out of South. It's something that we have actually not put up in the Investor Note, but then he's built a few products for us under his own brand. And hopefully, that should be out in the market pretty soon.

**Bhargav:**

Okay. And the Pectin JV, sir?

**Anand Krishnan:**

With respect to the Pectin JV, we have already started commercial production. And this quarter end -- by this quarter -- I mean, Q4 end, you should actually see some numbers on that.

**Bhargav:** Okay. And lastly, sir, is it possible to share what has been the operating cash flow in 9 months, if it is available?

**Milan Dalal:** It's not readily available with me as of now, but probably we can just discuss on this later.

**Bhargav:** Sure, sir. Thank you very much and all the very best.

**Moderator:** Thank you. The next question is from the line of Shubham Biswal from Convergence Capital.

**Shubham Biswal:** Good set of results, sir. Actually, I had one question on the qualitative side. So what I'm concerned about is are we spreading our business too thin? I mean -- so what -- and I'll be more specific. So, where do we see synergies in our businesses? So for example, do we see synergies on the supply side say on the RM sourcing side or on the operational side where we have similar manufacturing capabilities, fungible capacities or more on the demand side where on the distribution side.

Sir, I want to understand is there a possibility that we are spreading too thin or there are synergies in the business that are helping each other or like are we using the learnings of one business and applying it to another, thus building our economies of learning? So, that was my first question?

**Anand Krishnan:** Okay. With respect to whether we are spreading ourselves thin, the answer to that is a definite no because if we thought that we are spreading ourselves thin, then we wouldn't be in the business doing what we are. That's number one. But having said that, just to highlight what the synergies in our businesses are, so the pulping business is all fruits and vegetables.

The spray dried fruits and vegetables also is from the fruits and vegetables itself and the clients are almost very similar, all B2B clients as such. The frozen food is something, which is not probably very aligned to what we actually do with respect to the fruits and vegetable pulping. But then again, it's fruits and vegetables, which are a part of frozen foods as well, and we also do a bit of snacks in that particular part of the business.

So, these are our major verticals, the Tetra Recart, spices and Pectin are the newer projects that we have actually done. Spices is something, which is a very large industry size that is there. And the opportunity to grow there is phenomenal. And since our sourcing skills are actually there, so we thought -- we bought that particular brand at a great valuation, and we are very confident of growing that business to scale. So, we went into that particular business.

And having said that, we also wanted to have our presence in the branded space as a company. So, Tetra Recart is something that we wanted to focus on because it's a USP for us. Say, example, in the Kusum Masala business, our USP has not been to actually say we make spices. But in a Tetra Recart thing, the USP is actually to, say, we can give you products which can have a shelf life of around 2 years and without any preservatives.

So, that's the USP that is there. And this packaging is something that is not available in the market apart from what we do as of today in India. So, that's something that we actually can sell as a USP. So, we are extremely confident on that. And last but not the least, Pectin business is



something that we make out of the waste that we generate out of mango. So it has complete synergies with what we do.

**Milan Dalal:**

Milan Dalal here. I'll quickly just kind of give you these two statements that, willy-nilly, if you look at it primarily, we are into fruits and vegetables. For whatever reason, the Government of India, Ministry of Food Processing also allocated to us the PLI under fruits and vegetables. So it's a segment, and we haven't deviated from there.

You may call our spice division as the glamor in a movie that you could have some glamor, the glamor has to actually work wonders. And Pectin is a no-brainer. It is creating wealth from waste and ultimately the sustainability and everything what all the companies in the world, our customers want us to do. So, this is a bit of a brief apart from what Anand gave you in detail.

**Shubham Biswal:**

Right. That was a really detailed answer. And the second question I had was -- so again, it's a two part of question, sir, but there is a final question. So, I wanted to understand like how we are thinking about the -- so when we acquired our Kusum Spices. So in India, I think spices is a very regional play.

I mean, we have very few, I think two, three pan-India players. And even a lot of MNC players quit this space because it was very difficult to scale because it's very regional, it's very local. So -- and we need to have like dedicated super stockist. And sometimes it takes even a decade to reach a certain milestone.

So, how are you thinking about this business? Are you thinking like this business -- is it like occupying a lot of your time or is the return on time invested good or how are you thinking about this business? This is just one part of the question, sir?

**Anand Krishnan:**

Shubham, the scale of the business was around INR16 crores, INR17 crores of turnover when we acquired this business. So the room for us to grow even to INR100 crores is quite easy even without too much of geographical expansion, to be very honest. I completely agree with you that it is region-specific in India.

But in the export markets, it's not so. So, we are also present in the export markets, and we also hope to scale there. But having said that, the domestic markets are also a focus for us. So I mean, I don't think there is any reason for us to doubt whether we'll go to INR100 crores initially and then so on and so forth.

**Shubham Biswal:**

Right. I mean, I've been closely tracking this business and I'm a happy investor and thank you sir. That was all from my side. All the best for future.

**Anand Krishnan:**

It's a one-time valuation. So, there is no time value of money that we actually have as in we have grown as a business. The first 2 years was obviously a loss basically because of COVID, which was actually there as in -- we didn't want to invest more in that business at that point of time. But having said that, now we are actually investing every profit that we make into growing scale into that in terms of people, in terms of distribution and all those things.

And it's a separate team which actually takes care of this. So the management bandwidth is not distributed to that, but it's only oversight that we actually have at the management level.

**Moderator:** Thank you. The next question is from the line of Amish Kanani from Knowise Investment Manager. Please go ahead.

**Amish Kanani:** Sir, I just have a question on 9-month overall numbers. If I see the numbers in the presentation, we've done 6,000 tons less of sales of production and about INR60 crores lower sales on a Y-o-Y basis for 9 months and the equal split between domestic and exports. The question is -- but we are saying that for the third quarter, at least we missed some domestic call-offs is what we are saying.

So the first question, sir, is, is it possible to give us some sense of whether the INR60 crores lower sales, is it a catch-up that we can expect in the fourth quarter because of the lower domestic call-off which might happen in fourth quarter, sir?

**Anand Krishnan:** I think with respect to the Q4, we have already spoken on this as to what we are targeting. There was a gentleman who asked before this. So it's all covered in this.

**Amish Kanani:** Sure. Sure, sir. I missed it. Maybe I'll catch up and take the transcript note. And then, sir, the second question in that context is that our gross margin, which was 9 months, 41% versus 32% in last year, much higher margin. But I think we lost quite a bit of that in the operating expense on a 9-month basis.

So if you can give us some sense of where we have kind of increased our expense. I understand there was this INR4 crores mark-to-market loss that we have explained. But if you can give us some sense of where we are spending. Is it advertising and selling, or some other expense of the new plant and stuff like that, sir?

**Anand Krishnan:** Okay. So with respect to the other expenses also, I think we explained on this particular call itself, there was around INR7.5 crores worth of DDP shipment that we actually did, which is also in the top line as well as in the other expenses part of it as such. So, that has also contributed to the increased other expense, which is there. And there is INR4.2 crores forex MTM losses that we have explained.

**Amish Kanani:** Okay. Yes. Actually, sir the line were in between not very clear. So sorry for that. Maybe I'll catch up on this. Thanks a lot and all the best.

**Moderator:** The next question is from the line of Arnav Sakhuja from Ambit Capital. Please go ahead.

**Arnav Sakhuja:** So in the last call, you had mentioned a tie-up with PunjabSind for some Greentop products. So, I just wanted to check what is the progress on that tie-up and are we planning to continue expanding our association with PunjabSind going forward?

**Milan Dalal:** Yes, it's in the line whatever we have discussed. We are already scaling up. Operation initially started with Mumbai region. Now, we have expanded to Goa. Now, we are also now talking to

Hyderabad and other regions. So, I think it's in track. So, we are expecting that this association of between -- I mean, both the companies will give a good result in near future.

**Arnav Sakhuja:** Okay. And my second question is are we continuing to receive PLI benefits right now?

**Anand Krishnan:** Yes, PLI benefits. So with respect to FY '24 is what we have actually filed a claim for as of December of 2024. And as we speak today, also, there was a query which was actually asked by the ministry, and we are responding to that. So the last year, the experience was that by end of March is when we actually received -- the claim for FY '23. Hopefully, we are on track to receive this year's claim as well as in for FY '24.

**Arnav Sakhuja:** And what is the expected amount -- what is the amount expected to get for FY '24?

**Anand Krishnan:** We have filed a claim of around INR27-odd crores.

**Arnav Sakhuja:** INR27 crores. Okay. Thank you.

**Moderator:** Thank you. The next question is from the line of Anisha who is an Individual Investor. Please go ahead.

**Anisha:** Thanks for the opportunity. I just have couple of questions. Like you have mentioned the foray into CV and [inaudible 27:56] what is the progress on that? What is possibility of materializing this year?

**Anand Krishnan:** I didn't understand your question. You said, I mean, some forum or something is what you mentioned?

**Anisha:** You have mentioned the foray into CV like cocoa, butter.

**Anand Krishnan:** So with respect to that, a lot of R&D is going on, but we haven't, I mean, got any success on that as yet.

**Anisha:** Okay. I have more questions. Like can you talk about your main client for mango, tomato and guava pulp? What is the customer concentration like across this segment, any new client additions happening on this side?

**Anand Krishnan:** So, 60% of my revenue comes from my top 10 clients. And the top 10 clients, I mean, most of them have been put in the Investor Presentation. You can probably have a look at it.

**Anisha:** Okay. And sir, how is the domestic retail expansion going beside Punjab and Sind, any other partners on the horizon?

**Milan Dalal:** We just mentioned that our association with Punjab and Sind is in good progress. Initially started in Mumbai region. Now, we are expanding to other geography also. Goa was started. We are looking at Hyderabad and so on. So, we are expecting a good successful association with them, which will give a good result in near future.

**Moderator:** Thank you. The next question is from the line of Narendra from RoboCapital.

**Narendra:** Most of the questions have been answered. Just one question. So, you said that revenue was going to be flat in FY '25. So do we have any visibility for '26 or maybe 2 years, 3 years down the line, if you could share something with us?

**Anand Krishnan:** Narendra, there is a public number that we have spoken of over FY '27 internally, what we want to actually achieve. So, we have guided for around INR1,700-odd crores by FY '27. And I mean, that's something that we have as a target internally, and we have built capacities for that.

But having said that, only thing that all of us need to know is basically our business model is a cost-plus model. So the top line is a function of the raw material price. That's the only caveat to it.

**Narendra:** Okay. Understood, sir. But given the scenario -- current market scenario, right, so we are still confident of achieving that target. Am I right? Barring any raw material fluctuations, we are...

**Anand Krishnan:** This is something that we have given as a guidance. But as I told you, the only caveat to that is the raw material price. So FY '27, we are reasonably confident.

**Narendra:** Okay, sir. Understood. And the margins would be -- so ours is a cost-plus model. So, I'm assuming the margins should be protected?

**Anand Krishnan:** We are obviously trying to improve the margin. So I mean, at some point of time with larger scale, we hope to improve the margins.

**Milan Dalal:** You can see that the EBITDA improvement is always if you see last few quarters, there's EBITDA improvement. So we are targeting that and we are quite positive that, that is going to improve. And that shows that our focus on margin improvement is on.

**Narendra:** Understood, sir. Thank you so much and all the best.

**Moderator:** Thank you. The next question is from the line of Amit Gori who is an Individual Investor. Please go ahead.

**Amit Gori:** My question is related to the preferential allotment which was made some time back. And I had a couple of questions which are interlinked. What I want to know is if that particular amount was used to repay any debt or all that is being used for expansion only and the other question is related to the finance cost. So as I see -- do you see -- can you just throw some light on finance cost, whether we can expect it to go down?

**Anand Krishnan:** So the first question was with respect to the preferential allotment usage of money. So it was all for the working capital that we have actually used and the capex that we have actually done. So I mean, we have expanded capacities under the PLI. That's a public information, which is actually available.

And apart from the PLI also, we have doubled our tomato capacity. So all the money has actually gone in for the capex as well as the incremental working capital, which is actually required. With respect to the increasing finance cost -- sorry, you had something to ask?

- Amit Gori:** No.
- Anand Krishnan:** Yes. With respect to the increasing finance cost, two things need to be kept in mind. One, the Greenfield capacity that we actually -- I mean, had to complete by 31st of March 2024 as per the PLI has already commenced. And also the other non-PLI capex that we actually did has also come in. So the interest cost, which used to actually hit the balance sheet earlier because of non-commencement has now started hitting the P&L.
- So, that's one part of it. So the depreciation and the finance cost has actually risen because of that. So, around INR2.5 crores of extra capex-related interest cost has actually started hitting the P&L from the last couple of quarters.
- Amit Gori:** Right. Can you also suggest some -- throw some light on the current debt position? What is the current net debt?
- Anand Krishnan:** Around INR360 crores of working capital debt is what we have and around INR70 crores of long-term debt.
- Amit Gori:** Okay. Do you -- are you confident and do you see that we are going to reduce this debt in the near future? What is your plan of reducing the debt in the near future?
- Anand Krishnan:** Our plan is to increase the business and to increase our margin. That's our broad-based plan. So the debt -- I mean, this is a working capital-intensive business. So, that needs to be kept into context. Once we grow scale, maybe our cash flow from operations might help us to reduce the debt. But having said that, our first intention is to actually grow scale.
- Amit Gori:** Okay. Thank you. That's it from my side. Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.
- Anand Krishnan:** Thank you. I want to express my gratitude to all our investors and shareholders for their continued support. Should you need any further clarifications or would like to know more about the company, please feel free to write to us. Thank you so much and good day.
- Milan Dalal:** Thank you. This is Milan Dalal signing off.
- Moloy Saha:** Thank you. Moloy Saha signing off.
- Moderator:** Thank you. Ms. Anushka your line has been unmuted.
- Anushka Chitnis:** Thank you. On behalf of Arihant Capital, I would like to thank the management of Foods & Inns for giving us the opportunity to host them. Thank you so much, sirs.
- Anand Krishnan:** Thank you so much. Good day.
- Milan Dalal:** Thank you.

**Anand Krishnan:** Bye.

**Moderator:** On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.